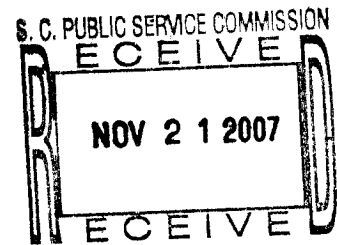




November 16, 2007

The Honorable Charles L.A. Terreni  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29210

Mr. C. Dukes Scott  
Executive Director  
South Carolina Office of Regulatory Staff  
P. O. Box 11263  
Columbia, South Carolina 29211



RE: Adjustment of September 2007, Firm Commodity Benchmark Calculation  
for Interruptible Sales Pursuant to Section C of SCE&G's Purchased Gas  
Adjustment Tariff Sheet

**Docket No. 2006-5-G**

Dear Messrs. Terreni and Scott:

The purpose of this letter is to provide written notice to the Public Service Commission of South Carolina (the "Commission") and the South Carolina Office of Regulatory Staff ("ORS") that South Carolina Electric & Gas Company ("SCE&G" or "Company") has computed an Alternative Commodity Benchmark for interruptible sales that the Company made in September 2007.

Pursuant to SCE&G's Purchased Gas Adjustment Tariff-Section C, which was approved by the Commission in Order 2005-653, SCE&G may recalculate the firm commodity benchmark related to interruptible gas sales in cases where the average market price of gas supplies has changed within a month such that the Firm Commodity Benchmark plus \$0.02081 per therm is higher than the price quoted for interruptible sales for that month. A review of gas cost data for September 2007 indicated that these conditions occurred during that month. Accordingly, as permitted by SCE&G's Purchased Gas Adjustment Tariff-Section C, SCE&G has calculated an Alternative Commodity Benchmark for interruptible sales for September 2007 and has used that Alternative Commodity Benchmark plus \$0.02081 per therm in recalculating the Margin Revenue from those sales. Also in accordance with the tariff, the costs and quantities of gas used in this calculation were then excluded from the recalculation of the Firm Commodity Benchmark under SCE&G's Purchased Gas Adjustment Tariff-Section B.

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As required by SCE&G's Purchased Gas Adjustment Tariff—Section C, SCE&G hereby provides notice that it has computed the Alternative Commodity Benchmark described above for the month of September 2007. The information in this letter is provided as a matter of notice and information only. Under the operative tariff provisions, no action by the Commission or ORS is required.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Jackson", written in a cursive style.

Kenneth R. Jackson  
Vice President  
Regulatory Matters

KRJ/ckw